Linoleum, etc. The Government and the RBI are closely monitoring both the domestic and international economic developments. Some of the steps taken by Government and RBI to arrest the decline in export growth rate are given in Statement. [Refer to the Statement appended to the answer to USQ 860 pt (a) and (b)].

Situation in cement industry

†890. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that despite about 30 per cent increase in the price of cement on the last year, the supply of cement has not increased in the ratio of its demand;

(b) if so, the reasons therefor;

(c) whether units are still running in loss in spite of rise in its prices;

(d) if so, the number of such units and the reasons therefor;

(e) the prices of indigenous cement in comparison to price of foreign cement and the reasons for difference in their prices;

(f) whether it is also a fact that cement manufacturers have established their monopoly by making a cartel; and

(g) if so, the action being taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) The average all India retail price of cement has decreased from Rs. 237 per bag in April, 2008 to Rs. 234 per bag in January, 2009. As per data maintained by Cement Manufacturers' Association, the production of cement during the period April, 2008-January, 2009 has been 147.32 million tonnes registering a growth of 7.38% over the corresponding period in the last year.

(c) and (d) No, Sir.

(e) The data is not maintained by this Department.

(f) and (g) MRTP Commission, a quasi judicial body, is already seized of the matter regarding cartelization by the cement companies.

FDI by companies set up in Dubai

891. SHRI SANJAY RAUT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware of any *modus operandi* which allows bringing of money in India in the form of Foreign Direct Investment (FDI) by companies/entities set up in Dubai;

(b) whether there is any yardstick fixed by Government to identify the ownership of entities who bring money in India through automatic route; and

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†Original notice of the question was received in Hindi.

(c) how Government proposes to check that money which comes in the form of Foreign Direct Investment from illegal and/or terrorist outfit does not come in India through automatic route?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) As per the extant policy, Foreign Direct Investment (FDI) can be brought into the country through the following two methods:—

Procedure under Automatic Route:

FDI in sectors/activities to the extent permitted under automatic route does not require any prior approval either by the Government or Reserve Bank of India (RBI). The investors are only required to notify the Regional office concerned of RBI within 30 days of receipt of inward remittances and file the required documents with that office within 30 days of issue of shares to foreign investors.

Procedure under Government Approval:

FDI in activities covered under the approval route, requires prior Government approval. Such proposals are considered by the Foreign Investment Promotion Board (FIPB), through an inter-ministerial consultation process.

Applications for all FDI cases, except Non-Resident Indian (NRI) investments, Export Oriented Units (EOUs) and for FDI in retail trading of single branded products are required to be submitted to the FIPB Unit, Department of Economic Affairs (DEA), Ministry of Finance.

Applications for NRI investment, EOU and for FDI in retail trading of single branded products should be submitted to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy and Promotion.

Applications can also be submitted with Indian Missions abroad who forward them to the DEA for further processing.

Cases for FDI coming through non-resident entities in Dubai, which fall under the approval route also require prior approval of FIPB, as in the case of similar investments from any other country.

(b) No Sir, excepting the procedure as mentioned at (a) above.

(c) The policy on FDI is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act (FEMA), 1999. FEMA indicates the countries from where investment is not permitted. As per Section 5(1) of these FEMA Regulations mentioned above, a person resident outside India, other than any entity in Pakistan, may purchase shares or convertible debentures of an Indian company under FDI Scheme, subject to terms and conditions specified in Schedule I. FDI coming from Bangladesh is required to follow the approval route. Section 13 of the Act provides for imposition of penalty, after adjudication, for

contravention of the provisions of the Act or Rules/Regulations. Further, any company established in the country has to follow the relevant rules and regulations and is subject to the provisions of relevant Acts, including the Prevention of Money Laundering Act.

Induction of modern aircrafts in Indian Air Force

892. SHRI GIREESH KUMAR SANGHI: Will the Minister of DEFENCE be pleased to state:

(a) the time-schedule for receiving 126 medium range combat aircrafts;

(b) whether any other type of modern aircrafts will also be added to the inventory of Indian Air Force;

(c) whether Government is planning to set up a hi-tech facility at Nagpur costing about Rs. 300 crores for indigenizing components of these aircrafts; and

(d) whether spare-parts would be supplied by the foreign vendors/firms till IAF develops its own indigenous capabilities?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) The proposals received in connection with the procurement of 126 Medium Multi Role Combat Aircraft (MMRCA) are under technical evaluation. This will be followed by field evaluation and thereafter, commercial negotiations. The induction of the aircraft into the Indian Air Force is likely to commence from 2012-13.

(b) A contract for 20 indigenous Light Combat Aircraft (LCA) has been signed. One IAF squadron is expected to be equipped with this aircraft in 2010-11.

(c) No, Sir.

(d) Product support including spare parts will be supplied by the vendor as per the terms of the contract that will be concluded.

Rising air crashes in IAF

893. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of DEFENCE be pleased to state:

(a) whether an aircraft of the Indian Air Force crashed near the Air Force station, Bidar in Karnataka on 21st January, 2009;

(b) if so, whether the preliminary investigations into the cause of the Air accident have been ascertained;

(c) if so, the details thereof; and

(d) the total number of air crashes of Defence forces happened in the past one year and the steps taken by Government to check such rising air accidents/incidents?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) Yes, Sir. A Kiran MK I aircraft of the Indian Air Force (IAF) crashed near Air Force Station, Bidar in Karnataka on 21st January, 2009.